

ESSB 6444 - H AMD TO H AMD (H-5483.2/10) **1501**

By Representative Ericks

On page 243, after line 30, insert the following:

"Sec. 715. 2009 c 564 s 915 (uncodified) is amended to read as follows:

General Fund--State Appropriation (FY 2011)	\$22,340,000
Special Account Salary/Insurance Increase Account--State Revolving	
Account Appropriation	\$111,554,000
TOTAL APPROPRIATION	\$133,894,000

Appropriations for state agencies in this act, and as appropriated above, are sufficient for nonrepresented and represented state employee health benefits for state agencies, including institutions of higher education. The office of financial management shall update agency appropriations schedules to reflect the changes to funding levels in this section by agency and fund. To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys, in an amount not to exceed \$68,554,000 from each dedicated fund or account to the special salary/insurance increase account in accordance with schedules provided by the office of financial management. ((and))The appropriations for health insurance funding rates in state agency appropriations, and those in this section are subject to the following conditions and limitations:

(1) The legislature finds that the monthly employer funding rates in the 2009-2011 operating budget, in combination with the level of state employee premium share collectively bargained following the conclusion of the 2009 legislative session, have produced an

1 inadequate stream of revenue to maintain the state employee health
2 benefits system in a sustainable and stable financial position. The
3 increase to the monthly employer funding rate made in this section is
4 made with the intent that the governor immediately request that the
5 coalition of all the exclusive bargaining representatives with which
6 health care benefit funding is bargained commence bargaining over a
7 corresponding increase in the employee share of health premiums.

8 (2)(a) The monthly employer funding rate for insurance benefit
9 premiums, public employees' benefits board administration, and the
10 uniform medical plan, shall not exceed \$745 per eligible employee for
11 fiscal year 2010. For fiscal year 2011 the monthly employer funding
12 rate shall not exceed (~~(\$768)~~)\$863 per eligible employee, nor shall a
13 plan for expenditures on benefits and administration by the public
14 employees' benefits board be adopted that results in projected total
15 reserve funds being less than \$90,000,000 by June 30, 2011.

16 (b) In order to achieve the level of funding provided for health
17 benefits, the public employees' benefits board shall require any or
18 all of the following: Employee premium copayments, increases in
19 point-of-service cost sharing, the implementation of managed
20 competition, or make other changes to benefits consistent with RCW
21 41.05.065. During the 2009-11 fiscal biennium, the board may only
22 authorize benefit plans and premium contributions for an employee and
23 the employee's dependents that are the same, regardless of an
24 employee's status as represented or nonrepresented under the personnel
25 system reform act of 2002.

26 (c) The health care authority shall deposit any moneys received on
27 behalf of the uniform medical plan as a result of rebates on
28 prescription drugs, audits of hospitals, subrogation payments, or any
29 other moneys recovered as a result of prior uniform medical plan
30 claims payments, into the public employees' and retirees' insurance
31 account to be used for insurance benefits. Such receipts shall not be
32 used for administrative expenditures.

33 (d) The conditions in this section apply to benefits for
34 nonrepresented employees, employees represented by the super

1 coalition, and represented employees outside of the super coalition,
2 including employees represented under chapter 47.64 RCW.

3 ~~((+2+))~~(3) The health care authority, subject to the approval of
4 the public employees' benefits board, shall provide subsidies for
5 health benefit premiums to eligible retired or disabled public
6 employees and school district employees who are eligible for medicare,
7 pursuant to RCW 41.05.085. From January 1, 2010, through the
8 remainder of the 2009-11 fiscal biennium, the subsidy shall be
9 \$182.89.

10 ~~((+3+))~~(4) Technical colleges, school districts, and educational
11 service districts shall remit to the health care authority for deposit
12 into the public employees' and retirees' insurance account established
13 in RCW 41.05.120 the following amounts:

14 (a) For each full-time employee, \$59.59 per month beginning
15 September 1, 2009, and \$64.90 beginning September 1, 2010;

16 (b) For each part-time employee, who at the time of the remittance
17 is employed in an eligible position as defined in RCW 41.32.010 or
18 41.40.010 and is eligible for employer fringe benefit contributions
19 for basic benefits, \$59.59 each month beginning September 1, 2009, and
20 \$64.90 beginning September 1, 2010, prorated by the proportion of
21 employer fringe benefit contributions for a full-time employee that
22 the part-time employee receives. The remittance requirements
23 specified in this subsection shall not apply to employees of a
24 technical college, school district, or educational service district
25 who purchase insurance benefits through contracts with the health care
26 authority."

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28 Correct the title.

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30 On page 249, after line 19, insert the following:

31

32 "Data Processing Revolving Account: For transfer to the
33 Salary/Insurance Increase Revolving Account--State for fiscal year
34 2011. \$30,000,000

1 Public Works Assistance Account: For transfer to the
2 Salary/Insurance Increase Revolving Account--State for fiscal year
3 2011. \$13,000,000"
4

5 On page 264, after line 20, insert the following:
6

7 **"Sec. 918.** RCW 43.105.080 and 1999 c 80 s 8 are each amended to
8 read as follows:

9 There is created a revolving fund to be known as the data
10 processing revolving fund in the custody of the state treasurer. The
11 revolving fund shall be used for the acquisition of equipment,
12 software, supplies, and services and the payment of salaries, wages,
13 and other costs incidental to the acquisition, development, operation,
14 and administration of information services, telecommunications,
15 systems, software, supplies and equipment, including the payment of
16 principal and interest on bonds issued for capital projects, by the
17 department, Washington State University's computer services center,
18 the department of personnel's personnel information systems division,
19 the office of financial management's financial systems management
20 group, and other users as jointly determined by the department and the
21 office of financial management, and during the 2009-11 fiscal
22 biennium, the legislature may transfer from the data processing
23 revolving fund to the salary/insurance increase revolving fund such
24 amounts as reflect the excess fund balance of the account. The
25 revolving fund is subject to the allotment procedure provided under
26 chapter 43.88 RCW. Disbursements from the revolving fund for the
27 services component of the department are not subject to appropriation.
28 Disbursements for the strategic planning and policy component of the
29 department are subject to appropriation. All disbursements from the
30 fund are subject to the allotment procedures provided under chapter
31 43.88 RCW. The department shall establish and implement a billing
32 structure to assure all agencies pay an equitable share of the costs.

33 As used in this section, the word "supplies" shall not be
34 interpreted to delegate or abrogate the division of purchasing's

1 responsibilities and authority to purchase supplies as described in
2 RCW 43.19.190 and 43.19.200.

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4 **Sec. 919.** RCW 43.155.050 and 2009 c 564 s 940 are each amended to
5 read as follows:

6 (1) The public works assistance account is hereby established in
7 the state treasury. Money may be placed in the public works
8 assistance account from the proceeds of bonds when authorized by the
9 legislature or from any other lawful source. Money in the public
10 works assistance account shall be used to make loans and to give
11 financial guarantees to local governments for public works projects.
12 Moneys in the account may also be appropriated to provide for state
13 match requirements under federal law for projects and activities
14 conducted and financed by the board under the drinking water
15 assistance account. Not more than fifteen percent of the biennial
16 capital budget appropriation to the public works board from this
17 account may be expended or obligated for preconstruction loans,
18 emergency loans, or loans for capital facility planning under this
19 chapter; of this amount, not more than ten percent of the biennial
20 capital budget appropriation may be expended for emergency loans and
21 not more than one percent of the biennial capital budget appropriation
22 may be expended for capital facility planning loans. During the 2009-
23 2011 fiscal biennium, the legislature may transfer from the public
24 works assistance account to the general fund, ~~((and))~~ the city-county
25 assistance account, and the salary/insurance increase revolving fund
26 such amounts as reflect the excess fund balance of the account.

27 (2) The job development fund is hereby established in the state
28 treasury. Moneys in the job development fund may be spent only after
29 appropriation."

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31 Renumber the remaining sections consecutively, correct any
32 references accordingly, and correct the title.

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EFFECT: Increases the monthly employer funding rate charged to participating employers for the Public Employees' Benefits Board (PEBB) health and insurance benefits for fiscal year 2011 from \$768 to \$863 per eligible employee, and requires the PEBB not to adopt a plan for expenditures on benefits and administration that would project a total reserve level for the end of fiscal year 2011 of less than \$90,000,000.

The intent of the Legislature is that the Governor immediately request to commence bargaining a corresponding increase in the employee share of health premiums with the coalition of all the exclusive bargaining representatives with which health care benefit funding is bargained.

Transfers \$30 million from the Data Processing Revolving Fund (fund 419) and \$13 million from the Public Works Assistance Account (fund 058) to the Salary/Insurance Increase Revolving Account (fund 406). This amount is appropriated for agency charges due to the increased monthly employer funding rate in lieu of an appropriation from the state general fund.

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16 **FISCAL IMPACT:**

Increases General Fund-State by \$22,340,000.

Increases Other Funds by \$111,554,000.

Transfers \$43 million in funding between accounts.

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